

November 28, 2005

Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Washington, DC 20554
Fax: 202-418-0187

The Fair Haven School District hereby appeals the decision made on Form 472 Invoice Number 487107.

The person who can most readily discuss this with you is our E-Rate consultant:

Name: Dan Riordan
Address: 53 Elm Place
Red Bank, NJ 07701
Phone: 732-530-5435
Fax: 732-530-0606
Email: dan@on-tech.com

Funding information:

Funding Year: 2003
FRN: 1215244
Invoice Number: 487107
BEN: 122969
Entity Name: Fair Haven School District

There are four reasons the SLD should not have denied this reimbursement request:

1. A Form 486 had been filed.
2. A Form 486 is unnecessary in the case of an FRN split.
3. The SLD provided incorrect information.
4. The applicant was not told that a Form 486 was necessary.

These reasons are further explained below.

Background

July 30, 2003	Form 486 FH486-03-01 filed, covering FRN1002175
July – October 2003	The Fair Haven School District transitioned much of its local and long distance service from Verizon, XTel and AT&T to Cooperative Communications in order to reduce its telecommunications costs. This switch has resulted in a savings to the district.
October 1, 2003	Form 486 Notification Letter received.
January 12, 2004	Operational SPIN Change filed requesting that the service provider for FRN 1002175 be changed from Verizon to Cooperative Communications.
May 21, 2004	Revised Funding Commitment Decision Letter sent, setting service end date of 9/30/2005 for FRN 1002175 and creating a new FRN 1215244 for Cooperative Communications.
August 16, 2004	Form 472 submitted requesting reimbursement for the discounted portion of payments made to Cooperative Communications under FRN 1215244. The Form 472 was assigned Invoice Number 487107.
October 15, 2004	Form 472 Notification Letter received. The Reimbursement Synopsis showed a “Reimbursement Amount for this FRN” of \$0.00 and under “Reimbursement Request Decision Explanation” stated: “486 with Service Start Date never filed.”

A Form 486 had been filed

A Form 486 for this funding request was filed on July 30, 2003. No new funding request was created after that date. Instead, an existing funding request was modified. There is no requirement to file a second Form 486 when a funding request is modified.

Because there is no way in the SLD database system to enter a second SPIN for an FRN, and no way to have two database records with the same FRN, the SLD is forced to do what it calls an “FRN split.” In fact, a new database record with a new FRN is created in the system. The SLD then seems to treat this new database record as a new funding request, when there is in fact only one funding request split across two database records.

Changing a service provider does not create a new funding request. If the district had requested a SPIN change effective July 1, 2003, a second Form 486 would have been required. Because the SPIN change was made during the funding year, the SLD created a new database record. The structure of the SLD database forced the creation of a new FRN to describe this single funding request.

A Second Form 486 is unnecessary in this case

A second 486 would have served no purpose in this case. The Form 486 serves two purposes. First, to notify the SLD of the date on which services start and invoicing can begin, and second, to have the applicant certify that a tech plan has been approved and the applicant complies with CIPA.

The first purpose was satisfied when the applicant notified the SLD of the start date on January 12, 2004 in the request for an Operational SPIN Change. That letter included, per SLD requirements, the service start date for the new service provider. The SLD knew the date that Cooperative Communications services started before the Revised Funding Commitment Decision Letter was issued.

The second purpose was satisfied when the original Form 486 was submitted on July 30, 2003. Applicants are required to certify approval of their tech plan and CIPA compliance only once per year, when services start.

The SLD provided incorrect information

As of this date, the SLD database of funding requests shows no funding decision for FRN 1215244. In the database record, both the “Commitment Status FCDL” and the “FCDL Date” fields are blank. These fields are blank for FRNs when no commitment has yet been issued. This misinformation misled the applicant into believing that the second FRN was being treated as a “sub-FRN” to the original FRN.

With these fields blank, the applicant was unconcerned to see that the “Service_Start_Date_486” field was blank. If the SLD database showed the second FRN as FUNDED with an FCDL Date, an alert applicant might have wondered if a second Form 486 was expected for this funding request. In fact, the district’s E-Rate consultant uses the SLD database to ensure that no Forms 486 are outstanding on approved FCDLs. According to the SLD database, the Form 486 is not yet overdue.

The applicant was not told that a Form 486 was necessary

The instructions for the Form 486 state: “The Billed Entity must submit the relevant information on a Form 486 for each Discount Funding Request approved by the SLD.” This implies that only a single Form 486 is required for any given funding request. The Form 486 for this funding request was filed on July 30, 2003. The instructions for the Form 486 do not mention the need to file a second Form 486 for the same funding request if the service provider is changed and a new database record created, but not if the service provider is changed but a new database record is not created.

The Revised Funding Commitment Decision Letter states: “Forms 486 for these services, if not already filed, must be received or postmarked no later than 120 days after the Service Start Date or the date of this letter, whichever is later.” A Form 486 for the services in that letter was filed on July 30, 2003. The instructions do not mention that two Forms 486 must be filed for the same services if a service provider has changed and a new database record created.

Summary

The Fair Haven School District changed service providers in order to take advantage of a more cost-effective solution, reducing their use of E-Rate funding. Due to shortcomings in the SLD’s database, the applicant now stands to lose funding because of their conscientiousness.

All the necessary paperwork for the funding requested was completed, and the SLD had all the necessary information and certifications. However, because of inadequacies in the

SLD's database system, a second database record was created and given a new FRN. The SLD seems to be treating the second database record as a new funding request in requiring a second Form 486, but have not put a Funding Status or FCDL Date in this new database record. The instructions from the SLD say that a Form 486 is required for each funding request, but do not make clear that if a new database record is created for an existing funding request, a second Form 486 must be filed. Misinformation in the SLD database furthers the impression that no second Form 486 is required, since the second FRN does not have an independent funding status.

We ask that the SLD review Invoice Number 487107 and approve reimbursement of the full amount requested, \$3,691.76.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, reading "Daniel E. Riordan". The signature is fluid and cursive, with a large initial 'D' and 'R'.

Daniel E. Riordan
President